

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6325

BILL NUMBER: HB 1494

NOTE PREPARED: Dec 15, 2004

BILL AMENDED:

SUBJECT: Health Care Moratorium.

FIRST AUTHOR: Rep. Foley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill imposes a two-year moratorium on the construction or addition of: (1) comprehensive care beds; (2) ambulatory outpatient surgical centers; and (3) hospitals. The bill exempts continuing care retirement communities and certain health facilities. It also makes certain exceptions to the moratorium on hospitals.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The State Department of Health reported that the administration of a moratorium on the construction or addition of beds or facilities could be accomplished within the existing budget parameters. The bill also prohibits the Indiana Health Facilities Council from certifying new or converted comprehensive care beds for participation in the Medicaid or Medicare reimbursement programs through June 30, 2007, with certain exceptions. The Department would likely hold applications for new licenses and Medicaid or Medicare certifications for affected facilities until the expiration of the moratorium on June 30, 2007.

Explanation of State Revenues: Depending on the number of applications held, fee revenues would not be collected for any new beds or facilities that might otherwise complete construction during the two-year moratorium. A nursing facility pays a \$200 fee for the first 50 additional beds and \$10 for each bed in excess of 50. Hospital license fees range from \$1,000 to \$5,000. The Department charges a sliding license fee for ambulatory surgical centers based on the number of procedures performed annually, as shown below.

Total Annual Procedures	LicenseFee
0 - 799	\$ 500
800 - 3,499	\$1,000
3,500 - 6,999	\$2,000
7,000 and above	\$3,000

This bill does not affect the renewal of existing licenses.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana State Department of Health; Family and Social Services Administration, Office of Medicaid Policy and Planning.

Local Agencies Affected: County-owned hospitals and health care facilities.

Information Sources: Zach Cattell, Legislative Liaison for the State Department of Health, 317-233-2170; and 414 IAC1-1-2.

Fiscal Analyst: Kathy Norris, 317-234-1360.